ATTACHMENT A

Questions for May 21, 2007
Workshop on Feed-In Tariffs for Renewable Energy

The *2006 IEPR Update* explored a variety of strategies to support post-2010 renewable development, including requiring investor-owned utilities to accept bilateral Renewable Portfolio Standard (RPS) offers under the market price referent, authorizing a system benefit charge for renewable energy, adopting a renewable energy certificate (REC) model, or establishing a renewables feed-in tariff similar to those used in Europe.

In this workshop, the 2007 IEPR Committee seeks input on whether and how a renewable energy feed-in tariff would help California achieve its renewable energy goal of 33 percent renewables by 2020.

In Europe, feed-in tariffs are set either at a fixed price, or a fixed premium above spot market prices. Price levels and premiums vary by technology, reflecting variation in technology costs. Incentives vary by country; incentives for some technologies are scheduled to decline over time. California is currently implementing two programs with incentives similar to feed-in tariffs. As part of the California Solar Initiative, the CPUC has developed performance-based incentives with set payments per kWh for qualifying solar photovoltaic systems, with payments limited to the size of the on-site load. In response to Assembly Bill 1969 (Yee), Chapter 731, Statutes of 2006, the CPUC is also implementing a process to determine a tariff rate that will be offered to public water or wastewater agencies for renewable generation and whether this or a similar tariff should be used to spur additional renewable resource development.

The 2007 IEPR Committee is asking that parties address the following questions in their verbal and/or written comments for this workshop:

1. To encourage additional renewable energy development, explain whether and why you support:
   a. Creating California renewable feed-in tariff (or tariffs) instead of an RPS in the 2011-2020 time period.
   b. Creating feed-in tariffs as a complement to an RPS in the 2011-2020 time period.
   c. Developing feed-in tariffs or similar incentives as part of the current RPS program to meet 2010 targets.
   d. None of the above.

Please answer the following questions for the policy option you selected in question 1:

2. The *2006 IEPR Update* noted that feed-in tariffs have contributed significantly to impressive levels of renewable energy development in Germany, Denmark, and Spain and recommended similar policies for California. Is any updated information available on the disadvantages and benefits of using feed-in tariffs in California for renewable energy?

3. In support of meeting the goal of 33 percent by 2020, what lessons from feed-in tariffs in Europe should be applied to development of feed-in tariffs in California? What lessons, if any, from California's experience with standard offer contracts should be applied?

4. What are the mechanics for determining the appropriate tariff(s)?

    a. How would the tariff level(s) be determined? What are the relevant data points?

    b. Is a single tariff for all renewable technologies appropriate, or should there be distinct tariff levels for individual technologies, project sizes, geographical areas (for example, based on the quality of the wind resource), or other factors?

    c. Should tariffs be specific to renewable facilities/technologies within California, or should they be determined comprehensively based on national and international data and experience?

    d. How and on what schedule should the tariff(s) be updated? Is there enough flexibility in the state regulatory process to allow for updates in a timely way?